

<i>SERFF Tracking Number:</i>	<i>REGU-125799624</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>The North River Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>TNR-MEO-08</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1019 Professional Errors & Omissions Liability</i>
<i>Product Name:</i>	<i>Miscellaneous Professional Liability</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Filing at a Glance

Company: The North River Insurance Company

Product Name: Miscellaneous Professional Liability SERFF Tr Num: REGU-125799624 State: Arkansas

TOI: 17.1 Other Liability - Claims Made Only	SERFF Status: Closed	State Tr Num: EFT \$100
Sub-TOI: 17.1019 Professional Errors & Omissions Liability	Co Tr Num: TNR-MEO-08	State Status: Fees verified and received
Filing Type: Rate/Rule	Co Status:	Reviewer(s): Betty Montesi, Edith Roberts
	Author: Jeremy Battles	Disposition Date: 09/30/2008
	Date Submitted: 09/04/2008	Disposition Status: Filed

Effective Date Requested (New): On Approval

Effective Date Requested (Renewal): On Approval

State Filing Description:

Effective Date (New):

Effective Date (Renewal):

General Information

Project Name:

Project Number:

Status of Filing in Domicile: Pending

Domicile Status Comments: Filing was made and is pending in The North River Insurance Company's state of domicile (NJ).

Reference Organization: N/A

Reference Title: N/A

Reference Number: N/A

Advisory Org. Circular: N/A

Filing Status Changed: 09/30/2008

State Status Changed: 09/18/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

The North River Insurance Company (TNR) is submitting independent rates and rules for its new Miscellaneous Professional Liability Program. The corresponding forms have been submitted separately, as required by your state.

This new Miscellaneous Professional Liability program provides coverage against negligent acts, errors and omissions

SERFF Tracking Number:	REGU-125799624	State:	Arkansas
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in the performance of professional services and covers a wide range of service providers, ranging from low hazard risks such as notaries to higher, more complex risks such as mortgage brokers.

The following items have been included:

- State Required Filing Forms
- Actuarial Memorandum
- Rates & Rules

An EFT in the amount of \$100.00 has been initiated to cover the required filing fees.

We ask that this filing become effective for all policies upon your approval.

Company and Contact

Filing Contact Information

(This filing was made by a third party - insuranceregulatoryconsultantsllc)
Jeremy Battles, Senior Analyst jeremybattles@ircllc.com
50 Broad Street (212) 571-3989 [Phone]
New York, NY 10004

Filing Company Information

The North River Insurance Company	CoCode: 21105	State of Domicile: New Jersey
305 Madison Avenue	Group Code: 158	Company Type:
P.O. Box 1973		
Morristown, NJ 07962-1973	Group Name: Crum&Forster	State ID Number:
(973) 490-6600 ext. [Phone]	FEIN Number: 22-1964135	

Filing Fees

Fee Required?	Yes
Fee Amount:	\$100.00
Retaliatory?	No

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<i>Product Name:</i>	<i>Miscellaneous Professional Liability</i>		
<i>Project Name/Number:</i>	<i>/</i>		
Fee Explanation:	Independent Rate Filing		
Per Company:	No		

State: *Arkansas*

State Tracking Number: *EFT \$100*

Sub-TOI: 17.1019 Professional Errors & Omissions Liability

Sub-TOI: 17.1019 Professional Errors & Omissions Liability

Project Name/Number: /

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
The North River Insurance Company	\$100.00	09/04/2008	22277464

SERFF Tracking Number:	REGU-125799624	State:	Arkansas
Filing Company:	The North River Insurance Company	State Tracking Number:	EFT \$100
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TOI:	17.1 Other Liability - Claims Made Only	Sub-TOI:	17.1019 Professional Errors & Omissions Liability
Product Name:	Miscellaneous Professional Liability		
Project Name/Number:	/		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted			
Filed	Edith Roberts	09/30/2008	09/30/2008			
Objection Letters and Response Letters						
Objection Letters		Response Letters				
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending	Edith Roberts	09/18/2008	09/18/2008	Jeremy Battles	09/19/2008	09/19/2008
Industry						
Response						

<i>SERFF Tracking Number:</i>	<i>REGU-125799624</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>The North River Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
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<i>Product Name:</i>	<i>Miscellaneous Professional Liability</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Disposition

Disposition Date: 09/30/2008

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: REGU-125799624 State: Arkansas

Filing Company: The North River Insurance Company State Tracking Number: EFT \$100

Company Tracking Number: TNR-MEO-08

TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability

Product Name: Miscellaneous Professional Liability

Project Name/Number: /

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	Filing Authorization, Actuarial Memo	Filed	Yes
Rate	Miscellaneous Professional Liability - Rates and Rules	Filed	Yes
Rate (revised)	Arkansas State Exception Page	Filed	Yes
Rate	Arkansas State Exception Page	Filed	Yes

SERFF Tracking Number: REGU-125799624 State: Arkansas
Filing Company: The North River Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: TNR-MEO-08
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
Product Name: Miscellaneous Professional Liability
Project Name/Number: /

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 09/18/2008
Submitted Date 09/18/2008
Respond By Date
Dear Jeremy Battles,

This will acknowledge receipt of the captioned filing.

Please refer to page 6, of MEO-RR (08/08), Rule 10 as stated below:

10. Commission Expense. The Base Premium contemplates a standard allowance for direct commission expense. If direct commission expense varies from the standard, the Base Premium may be reduced to reflect the difference of a lower commission (i.e., netting down the base rate); however, the Base Premium cannot be increased to reflect a higher commission expense.

This rule will be permissible if you provide the criteria for reduction and state that it will apply non-discriminately to all risks. Please amend accordingly for acceptance.

Please feel free to contact me if you have questions.

Sincerely,
Edith Roberts

Response Letter

Response Letter Status Submitted to State
Response Letter Date 09/19/2008
Submitted Date 09/19/2008

Dear Edith Roberts,

Comments:

SERFF Tracking Number: REGU-125799624 State: Arkansas
Filing Company: The North River Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: TNR-MEO-08
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
Product Name: Miscellaneous Professional Liability
Project Name/Number: /

Response 1

Comments: Dear Ms. Roberts:

We have revised the attached Arkansas Exception Page (MEO-RR-AR (08/08)) in response to your September 18th objection letter.

Should you need any additional information or have any questions, please do not hesitate to contact me at the numbers or e-mail address listed below.

Sincerely,

Jeremy W. Battles - Manager
Insurance Regulatory Consultants, LLC
(212) 571-3884 (phone); (212) 571-2502 (fax)
jeremybattles@ircllc.com (e-mail)

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Arkansas State Exception Page	MEO-RR-AR (08/08)	New	
Previous Version			
Arkansas State Exception Page	MEO-RR-AR (08/08)	New	

Sincerely,
Jeremy Battles

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<i>Product Name:</i>	<i>Miscellaneous Professional Liability</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Rate Information

Rate data does NOT apply to filing.

<i>SERFF Tracking Number:</i>	<i>REGU-125799624</i>	<i>State:</i>	<i>Arkansas</i>
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<i>Product Name:</i>	<i>Miscellaneous Professional Liability</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Miscellaneous Professional Liability - - Pages 1-12 Rates and Rules	MEO-RR (08/08)	New	MEO-RR 08-08.pdf
Filed	Arkansas State Exception Page	MEO-RR-AR (08/08)	New	AR MEO RR - REVISED 9-19-08.pdf

Miscellaneous Professional Liability Rates and Rules

I. COVERAGE

This policy insures against negligent acts, errors or omissions in the performance of professional services for others for which the insured is legally obligated to pay as damages.

II. POLICY FORM

The North River Insurance Company has a duty to defend the Insured and defense expenses are paid on behalf of the Insured. All coverage provided by the policy is in excess of the deductible, which applies to each claim. The policy is non cancellable except for non payment of premium. The policy is written in a claims-made -and -reported- basis and the limit of liability includes defense costs.

III. POLICY TERM

Policies may be written for a term of one year plus odd time, but not to exceed eighteen (18) months in length. Pro rata premium adjustments are applied for policies written for a periods other than 12 months.

IV. ELIGIBILITY AND GEOGRAPHIC MARKET

The policy is being offered to entities domiciled in the 50 United States offering professional services listed in the Hazard Class Appendix and provides worldwide coverage for claims brought in the USA.

V. LIMITS OF LIABILITY

Optional limits of liability are available with this policy. The minimum limit available is \$250,000 each claim and in the policy aggregate inclusive of defense expenses; the maximum limit available is \$10,000,000 each claim and in the policy aggregate inclusive of defense expenses.

VI. DEDUCTIBLE

Minimum deductibles are assigned based upon the Hazard Class and the gross revenues of the policyholder.

VII. MINIMUM PREMIUMS

The minimum premium available for this policy is \$5,000.

Miscellaneous Professional Liability Rates and Rules

VIII. RATING METHODOLOGY

- A.** Find profession in the Hazard Group Appendix to determine correct Hazard Group Number.
- B.** Determine Base Premium from chart below. The Base Premiums below are for each revenue band in the Revenues column and must be added together.
Example: a Hazard 1 applicant with \$1,300,000 of revenues, would be calculated as follows:

First \$500,000 of revenue X \$10.60 per \$1,000 = \$5,300
 Next \$500,000 of revenue X \$2.78 per \$1,000 = \$1,390
 Next \$300,000 of revenue X \$1.83 per \$1,000 = \$ 549
 Total Revenue: \$1,300,000; Total Base Premium = \$7,239.

BASE RATE (Per \$1,000 of Revenues)						
Revenues	Hazard 1	Hazard 2	Hazard 3	Hazard 4	Hazard 5	Hazard 6
\$0-500,000	\$10.60	\$12.25	\$13.45	\$14.65	\$16.00	\$28.00
501,000 – 1,000,000	2.78	3.98	4.64	6.82	7.99	14.00
1,000,001 – 2,000,000	1.83	2.62	3.06	4.50	5.27	9.23
2,000,001 – 3,000,000	1.00	1.43	1.67	2.46	2.88	5.04
3,000,001 – 5,000,000	.91	1.30	1.52	2.24	2.62	4.58
5,000,001 – 10,000,000	.60	.86	1.01	1.49	1.75	3.06
10,000,001 – 15,000,000	.48	.69	.81	1.20	1.41	2.46
15,000,001 – 20,000,000	.38	.55	.65	.96	1.12	1.95
20,000,001 – 25,000,000	.30	.43	.51	.79	.92	1.32
25,000,001 – 50,000,000	.20	.29	.34	.53	.62	.89
50,000,001 – 100,000,000	.13	.19	.21	.30	.35	.62
Over 100,000,000	.09	.11	.14	.20	.23	.41

C. BASE PREMIUM MODIFICATIONS

Once the Base Premium is developed from Part A and B above, it is modified by applying the appropriate prior acts coverage Modification Factor below. After this C. 1. prior acts modifier establishes the base premium as modified by the Prior Acts factor, steps 2 through 9 are then applicable and those modification factors are added together, and their sum modifies the premium established after C. 1. Prior Acts modified premium is established. A full rating example appears in the Appendix.

Miscellaneous Professional Liability Rates and Rules

- 1. Prior Acts.** Base Rates do not include coverage for Wrongful Acts committed prior to the proposed effective date. To provide prior acts coverage for periods of time, multiply the Base Premium by the factor indicated in this chart.

<u>Years of prior acts coverage requested</u>	<u>Modification Factor</u>
No Prior Acts coverage	1.00
One Year	1.12
Two Years	1.20
Three Years	1.26
Four or more years	1.35

- 2. Claims Experience.** This modifies the premium resulting from the number and severity of previous claims made against the applicant. The factors to be applied below relate to the both the frequency claims and their severity.

<u>Prior Claims Experience*</u>	<u>Modification Factor</u>
None	0.75
Minimal	0.90
Cautionary	1.10
Material	1.25
Significant	Refer to Company

* None	- No reported claims in the previous 5 years
Minimal	- Previous claim(s) but likelihood of payout, is low
Cautionary	- Previous claim(s) or reserve(s) which have a high probability of payout, or actual payout(s), in an amount up to 5% of the policy limit
Material	- Previous claim(s) or reserve(s) which have a high probability of payout, or actual payout(s) in an amount up to 10% of the policy limit
Significant	- Previous claim(s) or reserve(s) with a high probability or payout(s) in excess of 10% of the policy limit

- 3. Length of Experience.** This modifies the Base Premium resulting from the applicant's experience in the profession in the Hazard Class Chart, as follows.

<u>Years of experience</u>	<u>Modification Factor</u>
Less than three	1.15
Four to six	1.00
Seven to ten	0.95
Eleven to twenty	0.90
More than twenty	0.80

Miscellaneous Professional Liability Rates and Rules

- 4. Length of Business Operations.** This modifies the base premium resulting from the applicant's time in business under its present name, as follows.

<u>Length of time in business in years</u>	<u>Modification Factor</u>
Less than one	1.25
One to three	1.10
Four to six	1.00
Seven to ten	0.90
Eleven to twenty	0.85
More than twenty	0.80

- 5. Use of Independent Contractors.** This modifies the Base Premium resulting from the applicant's use of Independent Contractors or sub-contractors to perform professional services.

<u>Feature</u>	<u>Modification Factor</u>
Use None	0.90
Do not verify contractor has own insurance	1.15
Account for 25% to 49% of revenues	1.20
Account for over 50% to 65% of revenues	1.30
Account for more than 65% of revenues	Refer to Company

- 6. Use of standardized contracts.** This modifies the Base Premium for applicants who use contracts with their clients based upon certain features of such contracts.

<u>Quality of Contract Features *</u>	<u>Modification Factor</u>
Poor	1.20
Below Average	1.10
Average	1.00
Above Average	0.85

- *Poor: contract assumes liability and damages beyond scope of services and/or provides guarantees or warranties
- Below Average: lack of description of services to be provided, holds clients harmless, provides indemnities
- Average: mutual hold harmless agreement, provides engagement provisions, defines scope of services
- Above average: defines scope of services, limits liability of the applicant, defines duties of each party, contract and amendments thereto drafted by outside counsel

Miscellaneous Professional Liability Rates and Rules

- 7. Risk management techniques.** This modifies the Base Premium resulting from the applicant's use of best practices training and educating staff personnel.

<u>Number of Procedures*</u>	<u>Modification Factor</u>
All three in place	0.90
Two of three	0.95
Less than two of three	1.00

- *1. Applicant has a written training program for employees
- 2. Applicant has a written procedural manual for employees to follow
- 3. Applicant requires continuing education of professional employees

- 8. Restrictive or expansive endorsements.** This modifies the Base Premium resulting from attaching either restrictive or expansive endorsements modifying the coverage afforded to the applicant.

<u>Number and Type</u>	<u>Modification Factor</u>
One or more restrictive endorsements	0.90
One or more expansive endorsements	1.10

- 9. Schedule rating.** These factors modify the Base Premium resulting from favorable or unfavorable characteristics of the applicant's operations not contemplated in Steps 1 through 8.

<u>Schedule Rating Characteristics</u>	<u>Modification Range Factors</u>
Quality/Amount of assets, liabilities and capital invested	0.90 to 1.10
Cash flow/Liquidity	0.90 to 1.10
Revenue/Expense quality/comparison	0.90 to 1.10
Merger/Acquisition activity	0.90 to 1.15
Regulatory authority impact on services provided	0.85 to 1.15
Territory of operations	0.90 to 1.10
Complexity and number of services Provided	0.85 to 1.15
Additional Insured requests by applicant	1.00 to 1.20
Has contingent bodily injury or property damage exposures	1.10 to 1.20
Joint ventures with other entities	0.90 to 1.20

**Miscellaneous Professional Liability
Rates and Rules**

10. Commission Expense. The Base Premium contemplates a standard allowance for direct commission expense. If direct commission expense varies from the standard, the Base Premium may be reduced to reflect the difference of a lower commission (i.e., netting down the base rate); however, the Base Premium cannot be increased to reflect a higher commission expense.

IX. DETERMINATION OF DEDUCTIBLE

A minimum deductible per claim, including defense expenses, applies based upon both the Hazard Class and the amount of revenues (size) of the applicant in accordance with the following chart. The minimum deductible is found at the coordinate of the appropriate Hazard Class and Revenue size of the Applicant.

MINIMUM DEDUCTIBLE PER HAZARD CLASS							
HAZARD CLASS	Revenues < \$1,000,000	\$1,000,000-\$5,000,000	\$5,000,000-\$10,000,000	\$10,000,000 - \$25,000,000	\$25,000,000-\$50,000,000	\$50,000,000-\$100,000,000	Over \$100,000,000
1	\$2,500	\$2,500	\$5,000	\$5,000	\$10,000	\$12,500	\$15,000
2	\$2,500	\$3,500	\$7,500	\$10,000	\$12,500	\$15,000	\$17,500
3	\$5,000	\$5,000	\$10,000	\$10,000	\$15,000	\$20,000	\$25,000
4	\$7,500	\$10,000	\$15,000	\$20,000	\$25,000	\$22,500	\$30,000
5	\$10,000	\$12,500	\$17,500	\$20,000	\$25,000	\$27,500	\$35,000
6	\$10,000	\$12,500	\$17,500	\$25,000	\$30,000	\$30,000	\$40,000

An applicant may wish to assume a higher deductible than the minimum determined in the chart above. A credit may be applied in such cases, subject to Referral to the Company for analysis of the risk characteristics of the applicant detailed in the ten step Base Premium process and the Hazard Class in which the applicant belongs.

**Miscellaneous Professional Liability
Rates and Rules**

X. APPLY APPROPRIATE INCREASED LIMIT FACTORS

When the final Base Premium is determined from XIII. above, the applicant can choose options for various Limit of Liability quotations from the chart below. The final base premium is multiplied by the factor in the chart opposite the requested limit.

LIMIT *	FACTOR
\$ 250,000	.85
\$ 500,000	.95
\$ 1,000,000	1.00
\$ 2,000,000	1.50
\$ 3,000,000	1.85
\$ 4,000,000	2.15
\$ 5,000,000	2.40
\$ 6,000,000	2.65
\$ 7,000,000	2.85
\$ 8,000,000	3.00
\$ 9,000,000	3.35
\$ 10,000,000	3.60

* each claim and in the policy aggregate, including defense expenses. A rounding to the nearest whole dollar is made (.5 or higher rounded up; all else, rounded down).

XI. MISCELLANEOUS RULES

- A.** Additional, midterm prorated premium charges of \$25.00 or less will be waived by the Company.
- B.** Once in effect, the policy cannot be cancelled by the Company for any reason other than for non-payment of premium. When cancelled for non-payment of premium, pro-rated unearned premium will be credited to the Insured.

**Miscellaneous Professional Liability
Rates and Rules**

- C.** If the Insured requests midterm cancellation, 90% of the unearned premium will be returned to the Insured.
- D.** The Insured may opt for an Extended Reporting Period at the end of the policy period (for any reason, whether we offer renewal coverage or not) by payment of the additional premium required within thirty days of the expiration date. The Company will provide an Extended Reporting Period of either 12 months for an additional premium equal to 100% of the expiring policy premium, 24 months for an additional premium equal to 150% of the expiring premium, or 36 months for an additional premium of 200% of the expiring premium. The Extended Reporting Period premium and length will be entered in Item 8. on the Declarations Page.

**Miscellaneous Professional Liability
Rates and Rules**

**APPENDIX-HAZARD CLASSES 1-6;
PAGE ONE OF THREE**

Hazard Class 1

Answering Services
Billing Services – Non Medical
Car Title & Tag Services
Cosmetologists
Court Reporters
Domestic Services
Genealogists
Handwriting Analysts
Interpreters
Letter Writers
Manicurists
Messengers
Notaries
Paging Services
Party Planners
Photo/Duplicating Services
Polygraph Analysts
Printers – non financial
Translators
Welcoming Services
Miscellaneous Hazard I

Hazard 2

Alarm Monitors
Animal Groomers
Auctioneers
Call Centers
Career Counselor
Claims Adjusters (prop/cas
Consumer Services
Convention Consultants
Documents Destruction Services
Driving Instructors
Employment Agents/Staffing
Event Planners
Forensic Analysts
Foresters
Funeral Directors
Grant Coordinators
Home Inspection
Information Storage/Retrieval
Investigators
Janitorial Services
Job Counselors
Kennel Services
Mailing Services
Mgmt. Consultants – marketing
Mgmt. Consultants – strategic
Marine Surveyors
Medical Billing Services
Meeting Planners
Meteorologists
Microfilm Service
Office Administration

Hazard 2 Continued

Payroll Services
Photo Duplication
Planners-non structural
Process Servers
Recovery Services
Process Servers
Reservation Services
Seminar Conductors
Speakers Bureau
Subscription – fulfill
Tabulation Service
Teleconferencing
Telemarketing
Tour Operators
Trade Show Services
Training Services
Travel Agents
Tutors
Umpire/Reference
Vocational Counseling
Misc. Hazard 2

**Miscellaneous Professional Liability
Rates and Rules**

APPENDIX – HAZARD CLASSES – PAGE TWO OF THREE

HAZARD 3

Adjustment Bureau
Antique Dealers/Restorers
Appraisers – not real estate
Arbitrators/Mediators
Benefit Plan Consultants
Business Outsourcing Service
Claims Administration
Claims Adjusting (we/medical)
Collection Agents
Credit Bureau – reporting
Credit Investigation
Custom Brokers
Debt Counselors
Direct Mail Service
Employee Leasing
Employment Agents – prof/mgmt
Escrow Agents
Expert Witness Service
Facilities Management
Farm Managers
Forensic Investigation – financial
Fulfillment Services
Graphic Designers
Hotel Management
Librarian Services
Loan Servicing/Closing – personal
Logistic Consultants

HAZARD 3 continued

Management Consultant
Paralegal
Project/Contract Management
Property Management
Public Relation Services
Real Estate Appraisal - residential
Real Estate Sales
Relocation Services
Research Consultants
Risk Management Services
Security Services
Tax Preparers
Transfer agents
Trustee Services (asset distribution)
Miscellaneous Hazard 3

HAZARD 4

Insurance Agents and Brokers
Real Estate Appraiser – commercial
Third Party Administrator – no benefits
Title Agent or Abstractor
Misc. Hazard 4

**Miscellaneous Professional Liability
Rates and Rules**

APPENDIX – HAZARD CLASSES – PAGE THREE OF THREE

HAZARD CLASS 5

Benefit Plan Administrators
Building Surveyors/Consultants
Credit Card Intermediaries
Foreclosure Agents
Franchisors
Freight Forwarders
Mortgage Brokers
Premium Finance Company
Printing – financial
Research Organization
Safety Consultants
Structured Settlement Brokers
Testing Laboratories
Ticket Brokers
Trustees- other than asset distribution
Miscellaneous Hazard 5

HAZARD CLASS 6

Business Brokers
Contest Managers
Games Promoters
Lease Brokers
Mortgage Brokers
Misc. Hazard 6

**Miscellaneous Professional Liability
Rates and Rules**

APPENDIX: RATING EXAMPLE

Applicant is a Translation Service with annual revenues of \$1,300,000 who wishes five years of prior acts coverage, suffered a small claim and has operated under the business name for six years, requesting limit of liability of \$1,000,000.

1. VIII. A. Find profession in the Hazard Group Chart in the Appendix.

Translator; Hazard Group # 1

2. VIII. B. Determine Base Rate from chart, given revenues of \$1,300,000.

First \$500,000 of revenue X \$10.60 per \$1,000 = \$5,300
Next \$500,000 of revenue X \$2.78 per \$1,000 = \$1,390
Next \$300,000 of revenue X \$1.83 per \$1,000 = \$ 549
Total Revenue: \$1,300,000 Total Base Premium = **\$7,239.**

3. VIII C. 1. Modify base premium by appropriate Prior Acts Factor from chart:

Five years (four or more years): $1.35 \times \$7,239 = \mathbf{\$9,772.65}$

4. VIII. C. Sum up the credits and debits established in VIII. C. 2 through 10:

	<u>DEBITS (+)</u>	<u>CREDITS (-)</u>
VIII C. 2. Claims Experience – minimal		.10
3. Length of experience - 12 yrs.		.10
4. Business operation- 6 yrs		.05
5. Independent contractors- none		
6. Standard contracts- poor	.20	
7. Risk Management- 2 of 3		.05
8. Restrictive endorsement- 1		.10
9. Schedule- complexity of service	.10	
10. Commission- standard		
TOTAL	.30	.40
.40 credits less (-) .30 debits = .10 credit		

5. VIII. C. Multiply prior acts modified premium by sum of the factors in VIII. C. 2-9:

$10\% \text{ credit} = .90 \times \$9,772.65 = \$8,795.38$; rounded down to **\$8,795.00**

6. IX. Find Deductible in chart at coordinate of Hazard 1 and revenues from \$1,000,000 to \$5,000,000: = \$2,500 deductible

7. X. Determine Increased Limit Factor from chart: $\$1,000,000 = 1.0$; $1.0 \times \$8,795 = \mathbf{\$8,795.00 \text{ for } \$1,000,000 \text{ limit with } \$2,500 \text{ deductible.}}$

EXCEPTION: **ARKANSAS EXCEPTION** ATTACHED TO RULES AND RATES

MEO –RR- (08/08)

- (1) ARKANSAS PERMITS DEFENSE EXPENSES WITHIN THE LIMIT ONLY IF LIMITS ISSUED IN THE POLICY ARE A MINIMUM OF \$1,000,000.

NEW RULE:

POLICIES WIL BE ISSUED WITH MINIMUM LIMIT OF \$1,000,000. ANY POLICY ISSUED WITH A LESSER LIMIT WILL REQUIRE AN ADDITIONAL ARKANSAS AMENDATORY ENDORSEMENT CONVERTING THE COVERAGE TO DEFENSE EXPENSES BEING PAID IN ADDITION TO, AND NOT PART OF, THE LIMIT OF LIABILITY.

- (2) ARKANSAS DOES NOT PERMIT COMMISSION EXPENSE (RULE VIII C. 10.) WITHOUT FULL EXPLANATION OF NON DISCRIMINATORY PRACTICES

BECAUSE IT IS DIFFICULT TO QUANTIFY A CONSISTENT NON DISCRIMINATORY METHODOLOGY AND BECAUSE THESE ARE INFREQUENT REQUESTS:

- (A) RULE VIII C. 10 IS DELETED AND NOT APPLICABLE IN THE STATE OF ARKANSAS

NEW RULE:

- (B) RULE VIII C 10 IS REPLACED WITH THE FOLLOWING RULE FOR ARKANSAS APPLICANTS:

10. The Base Premium contemplates a standard allowance for direct commission expense. Commission expense may not vary. There shall be no reductions or additions to premium by the use of varying commission expense.

MEO-RR-(08/08) ARKANSAS

<i>SERFF Tracking Number:</i>	<i>REGU-125799624</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>The North River Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>TNR-MEO-08</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1019 Professional Errors & Omissions Liability</i>
<i>Product Name:</i>	<i>Miscellaneous Professional Liability</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Supporting Document Schedules

Satisfied -Name:	Uniform Transmittal Document-Property & Casualty	Review Status:	Filed	09/30/2008
Comments:				
Attachment:				
	AR R NAIC Transmittal.pdf			

Bypassed -Name:	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Review Status:	Filed	09/30/2008
Bypass Reason:	N/A			
Comments:				

Bypassed -Name:	NAIC loss cost data entry document	Review Status:	Filed	09/30/2008
Bypass Reason:	N/A			
Comments:				

Satisfied -Name:	Filing Authorization, Actuarial Memo	Review Status:	Filed	09/30/2008
Comments:				
Attachments:				
	1 - Filing Authorization Letter.pdf			
	3 - Actuarial Memorandum.pdf			

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;">New Business</div> <div style="width: 40%;"></div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;">Renewal Business</div> <div style="width: 40%;"></div> </div> f. State Filing #: g. SERFF Filing #: h. Subject Codes
---	---


3. Group Name	Group NAIC #
Crum&Forster	0158

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
The North River Insurance Company	NJ	21105	22-1964135	

5. Company Tracking Number	TNR-MEO-08
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Jeremy W. Battles - IRC, LLC 50 Broad Street, Suite 501 New York, NY 10004	Manager	212-571-3884	212-571-2502	jeremybattles@irccl.com

7. Signature of authorized filer	
8. Please print name of authorized filer	Jeremy W. Battles

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	17.1 - Other Liability - Claims Made
10. Sub-Type of Insurance (Sub-TOI)	17.1019 - Professional Errors & Omissions Liability
11. State Specific Product code(s) (if applicable)[See State Specific	N/A
12. Company Program Title (Marketing title)	Miscellaneous Professional Liability Program
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: Upon Approval Renewal: Upon Approval
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	N/A
17. Reference Organization # & Title	N/A
18. Company's Date of Filing	9/4/2008
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	TNR-MEO-08
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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The North River Insurance Company (TNR) is submitting independent rates and rules for its new Miscellaneous Professional Liability Program. The corresponding forms have been submitted separately, as required by your state.

This new Miscellaneous Professional Liability program provides coverage against negligent acts, errors and omissions in the performance of professional services and covers a wide range of service providers, ranging from low hazard risks such as notaries to higher, more complex risks such as mortgage brokers.

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
------------	---

Check #: EFT
Amount: \$100.00

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the compo

1.	This filing transmittal is part of Company Tracking #					TNR-MEO-08		
2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)					TNR-MEO-08		
<input type="checkbox"/> Rate Increase <input type="checkbox"/> Rate Decrease <input checked="" type="checkbox"/> Rate Neutral (0%)								
3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)					Prior Approval		
4a.	Rate Change by Company (As Proposed)							
	Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
	The North River Insurance Co.	0	0	0	N/A - NEW	N/A - NEW	N/A - NEW	N/A - NEW
4b.	Rate Change by Company (As Accepted) For State Use Only							
	Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
Overall Rate Information (Complete for Multiple Company Filings only)								
						COMPANY USE	STATE USE	
5a.	Overall percentage rate indication (when applicable)					N/A		
5b.	Overall percentage rate impact for this filing					N/A		
5c.	Effect of Rate Filing – Written premium change for this program					N/A		
5d.	Effect of Rate Filing – Number of policyholders affected					N/A		
6.	Overall percentage of last rate revision					None		
7.	Effective Date of last rate revision					N/A		
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)					N/A - New Program Filing		
9.	Rule # or Page # Submitted for Review				Replacement or Withdrawn?		Previous state filing number, if required by state	
01	MEO-RR (08/08) - Pages 1-12				<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			
02	MEO-RR-AR (08/08)				<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			
03					<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			

305 Madison Avenue
P.O. Box 1973
Morristown, NJ 07962-1973
973-490-6600

This letter will certify that **Insurance Regulatory Consultants, LLC (IRC)** has been given full authorization to submit filings on behalf of **The North River Insurance Company**. This authorization extends to all correspondence regarding the filings.

Douglas M. Libby

Name

August 26, 2008

Date

Chairman and Chief Executive Officer

Title

The North River Insurance Company

Company Name(s)



Signature

(973) 490-6600

Telephone Number

**The North River Insurance Company
NAIC #: 0158-21105
Miscellaneous Professional Liability Program**

The North River Insurance Company

Miscellaneous Professional Liability

Actuarial Memorandum

The North River Miscellaneous Professional Liability program provides coverage against negligent acts, errors and omissions in the performance of professional services. This is a new program filing which covers a wide range of service providers, ranging from low hazard risks such as notaries to higher, more complex risks such as mortgage brokers. We have grouped the professional service providers into six hazard groups to distinguish between the inherent differences in frequency and severity potential. In addition, the number of professional service provider classes continues to increase in response to advances in technology and expanded customer needs. As a result, it is likely that many firms provide more than one primary service or are not currently identified in our proposed list of hazard groups. We have provided for these emerging classes through a miscellaneous service category in our plan.

Our base rates and rating variables are based on a compilation of the approved rating plans for other carriers such as CNA and ACE. We will utilize applicants' receipts (or revenue) as the exposure basis for pricing since we believe this is a correlated and relatively unbiased indicator of exposure to loss. We augmented our rating plan with variables that draw upon the expertise of our professional liability underwriting team. Our rating modification factors recognize the importance of contract language, claims experience, financial conditions and risk management. We have structured our underwriting guidelines to ensure a thorough review, careful analysis and proper documentation for each individual account.

<i>SERFF Tracking Number:</i>	<i>REGU-125799624</i>	<i>State:</i>	<i>Arkansas</i>
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<i>Product Name:</i>	<i>Miscellaneous Professional Liability</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Rate and Rule	Arkansas State Exception Page	09/04/2008	AR MEO RR.pdf

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VERTING THE COVERAGE TO DEFENSE EXPENSES BEING PAID
IN ADDITION TO, AND NOT PART OF, THE LIMIT OF LIABILITY.